

Message Text

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ORIGIN STR-07

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TO USMISSION GENEVA PRIORITY

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MTN DEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: US-EC INDUSTRIAL TARIFFS BILATERAL

REFERENCES: (A) GENEVA 9368, (B) STATE 159899, (C) GENEVA
9705

1. DEL IN REFTEL A REPORTED REQUESTING EC TO CONSIDER
POSSIBLE EXOUT OF INTEGRATED CIRCUITS (ICS) WITH 1,000 OR
LESS ACTIVE COMPONENTS BASED ON AN ISAC MEMBER'S ADVICE.
THE INFORMATION REPORTEDLY PROVIDED BY THE ISAC MEMBER DID
NOT REFLECT WASHINGTON'S EXPECTATIONS BASED ON KNOWLEDGE OF
THE CONCERNS OF THE ISAC AND HIS COMPANY, MOTOROLA. MOTOR-
OLA DERIVES ABOUT HALF OF ITS REVENUE FROM THE SALE OF
DISCRETE ACTIVE SEMICONDUCTOR COMPONENTS. PLEASE NOTE THAT
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DISCRETE SEMICONDUCTORS ARE NOT MONOLITHIC INTEGRATED CIR-
CUITS, AS DESCRIBED IN REFTEL C, PARA 5, BUT ARE INDIVIDUAL
COMPONENTS OR ELEMENTS, E.G., ONE TRANSISTER. IN ORDER TO
AID THE DEL IN MEETING WITH EC ELECTRONICS EXPERT, A
HEURISTIC GLOSSARY OF SELECTED ELECTRONICS TERMINOLOGY IS
INCLUDED BELOW.

2. IT IS APPARENT FROM REFTEL C, THAT THERE WAS A MISUNDERSTANDING AS TO THE ADVICE OFFERED BY THE ISAC MEMBER. DISCUSSIONS WITH ISAC MEMBER, REFTEL B, PARA 2, INDICATED THAT

HE HAD PROPOSED THAT THE NEW EXOUT SHOULD BE FOR ALL THREE CURRENT EC EXOUT ITEMS WITHIN 8521DII WHICH CONTAIN 1,000 OR FEWER ACTIVE ELEMENTS INCLUDING DISCRETE COMPONENTS AND NOT JUST ICS. SINCE DEL ONLY MADE TENTATIVE PROPOSAL ON ICS, IT WAS THE OPINION OF THIS ISAC MEMBER THAT THIS ACTION BY THE DEL DID NOT REFLECT HIS VIEWS ON PROPOSED NEW EXOUT, AND THAT THE INDUSTRY'S INTERESTS WERE IN DUTY REDUCTIONS ON ALL ITEMS IN 8521DII, I.E., ALL SIZE ICS AND DISCRETE COMPONENTS. HE FURTHER WISHED TO WITHDRAW HIS PREVIOUS ADVICE ON THE PROPOSED EXOUT. HE ALSO STATED THAT HIS VIEWS WERE MADE WITH THE UNDERSTANDING THAT THIS PROPOSED EXOUT WAS FOR SALVAGE PURPOSES AND FELT IT WAS PREMATURE TO PROMOTE HIS PROPOSAL AS LONG AS THERE WAS ANY REASONABLE CHANCE OF AN OVERALL REDUCTION OF ALL ITEMS CONTAINED IN 8521DII.

3. REFTEL C, PARA 5, WHILE ENTIRE 8521DII IS OF HIGH PRIORITY TO US AND STAGED REDUCTIONS OF 16 AND 17 PERCENT DUTIES IS MOST PREFERABLE OUTCOME, SUGGESTION TO INCREASE MAXIMUM NUMBER OF ACTIVE ELEMENTS IN IC EXOUT IS IN RIGHT DIRECTION. DEL MIGHT CONSIDER GOING A STEP FURTHER: PROBE OF EXOUT OF SMALLER (FEWER ACTIVE ELEMENTS) ICS BE EXPANDED LIMITED OFFICIAL USE

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ED BY DOUBLING NUMBER OF ACTIVE COMPONENTS EVERY TWO YEARS WHICH OVER A PERIOD OF 12 YEARS WOULD EXPAND EXOUT TO CURRENT STATE-OF-ART AND EVENTUALLY OBIVATE THE NEED FOR LARGE IC EXOUT.

4. REGARDING ANOTHER POSSIBLE COMPROMISE EXOUT, DEL MIGHT SUGGEST HAND CALCULATORS IN 8452A. THIS IS AN IMPORT CONCERN OF THE EC BECAUSE OF JAPANESE COMPETITION. BY SEPARATING HAND CALCULATORS ON WHICH THE EC FEARS JAPANESE COMPETITION, US MIGHT BE ABLE TO OBTAIN A FAVORABLE CUT ON OTHER-THAN-CALCULATORS, WHICH IS WHERE THE US HAS A STRONGER INTEREST.

5. GLOSSARY

SEMICONDUCTOR - ANY SOLID STATE ELECTRONIC DEVICE OF A DOPED (POLLUTED SILICON) SEMICONDUCTOR MATERIAL.
DISCRETE ACTIVE SEMICONDUCTOR - DISCRETE INDICATES AN INDIVIDUAL SEMICONDUCTOR ELEMENT (E.G., A TRANSISTER, DIODE, THYRISTER, ETC.) AND ACTIVE INDICATES THE ABILITY TO MODIFY ELECTRICAL CURRENT IN A VARIABLE WAY.
INTEGRATED CIRCUIT - A MONOLITHIC ELECTRONIC SOLID STATE

CIRCUIT, A CHIP, COMPRISED OF DIODES, TRANSISTORS, RESISTORS AND/OR CAPACITORS INTERCONNECTED WITH A METALLIZATION PATTERN ON A SILICON, OR SIMILAR SEMI-CONDUCTOR MATERIAL, WAFER OR CHIP.

ELECTRONIC MICROCIRCUIT - SAME AS AN INTEGRATED CIRCUIT.
MICRO ASSEMBLY - THIS COULD BE ANY GROUP OF SEMICONDUCTORS, INTEGRATED CIRCUITS AND RESISTORS AND CAPACITORS ASSEMBLED TO MAKE A CIRCUIT SMALL IN PHYSICAL SIZE.
MONOLITHIC INTEGRATED CIRCUIT - SAME AS AN INTEGRATED CIRCUIT.
MEDIUM SCALE INTEGRATED CIRCUIT (MSI) - UP TO APPROXIMATELY 5,000 ACTIVE ELEMENTS.
LARGE SCALE INTEGRATED CIRCUIT (LSI) - APPROXIMATELY 5,000 LIMITED OFFICIAL USE

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TO 20,000 ACTIVE ELEMENTS.
VERY LARGE SCALE INTEGRATED CIRCUIT (VLSI) - MORE THAN APPROXIMATELY 20,000 ACTIVE ELEMENTS.
HYBRID INTEGRATED CIRCUIT - MULTICHIP CIRCUITS ARE ARRAYED ON A NON-CONDUCTIVE SUBSTRATE SUCH AS CERAMIC; THEY ARE CONNECTED BY METALLIZATION PATTERNS OR VERY FINE WIRES.
PRINTED CIRCUIT BOARD - NONCONDUCTIVE SUBSTRATE INTO WHICH CIRCUITS ARE ETCHED AND SEMICONDUCTORS ARE AFFIXED. VANCE

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